

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 374 – HB 826

February 11, 2014

SUMMARY OF ORIGINAL BILL: Adds nine development districts pursuant to Title 13, Chapter 14, Part 1, to the sunset cycle provisions under the *Tennessee Governmental Entity Review Law*, thus creating a termination date of June 30, 2015, for the nine districts.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$3,200/One-Time
\$171,500/Recurring

SUMMARY OF AMENDMENT (012058): Amends the original bill such that the nine development districts pursuant to Title 13, Chapter 14, Part 1, that are being added to the sunset cycle provisions under the *Tennessee Governmental Entity Review Law*, will have an established termination date of June 30, 2016, rather than June 30, 2015.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the corrected fiscal note.

Assumptions for the bill as amended:

- The nine development districts are as follows: the East Tennessee Development District, the First Tennessee Development District, the Greater Nashville Regional Council, the Memphis Area Association of Governments, the Northwest Tennessee Development District, the South Central Tennessee Development District, the Southeast Tennessee Development District, the Southwest Tennessee Development District, and the Upper Cumberland Development District.
- Any increase in state expenditures to add the nine development districts to the sunset provisions in statute will be not significant.
- According to the Comptroller, sunset performance audits will need to be performed for each of the nine development districts. Given that performing such audits will require travel to nine different locations, two additional positions will be required. The

recurring increase in state expenditures for the positions is estimated to be \$131,540 (for salary and benefits), plus travel expenses of approximately \$40,000, for a total recurring increase in state expenditures of \$171,540. One-time costs associated with the positions are estimated to be \$3,200 (for computers and software).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/rnc